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February 24, 2011

Paul N. Belval  
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Dear Mr. Belval,

The Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Department of Public Utilities (MassDPU) are writing with information relevant to a recommendation of the Budget and Finance Subcommittee of the New England Power Pool (NEPOOL) Participants Committee that ISO New England Inc. begin charging Massachusetts municipal electric departments and municipal light boards a portion of the costs of operating the NEPOOL Generation Information System (NEPOOL-GIS).

We understand that the Budget and Finance Subcommittee considers the January 21, 2011 deadline for submittal of greenhouse gas (GHG) emissions to the MassDEP by Massachusetts retail sellers of electricity (which includes Massachusetts municipal electric departments and municipal light boards) under MassDEP regulation 310 CMR 7.71 *Reporting of Greenhouse Gas Emissions*, subsection (9) *Reporting Requirements for Retail Sellers of Electricity*, has triggered a provision in the NEPOOL Participants Committee's "Allocation of Costs Related to Generation Information System" at [http://www.iso-ne.com/stlmnts/gis/allocation\\_of\\_costs\\_related\\_to\\_gis.DOC](http://www.iso-ne.com/stlmnts/gis/allocation_of_costs_related_to_gis.DOC). The relevant provision reads:

""Attribute Laws" are any statutes, regulations or orders or decisions of courts and governmental agencies in effect in New England requiring (i) the disclosure of the fuel source, **emissions** and/or other attributes of the generation used in providing electric service to retail customers" [emphasis added]

GIS costs are allocated pro rata by load to any New England "Load Asset ... which ... is owned by a Participant that ... is subject to an Attribute Law."

This information is available in alternate format. Call Michelle Waters-Ekanem, Diversity Director, at 617-292-5751. TDD# 1-866-539-7622 or 1-617-574-6868

MassDEP Website: [www.mass.gov/dep](http://www.mass.gov/dep)

MassDPU website: [www.mass.gov/dpu](http://www.mass.gov/dpu)

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We want you to be aware that the regulations MassDEP developed for GHG emissions reporting by Massachusetts retail sellers of electricity do not require Massachusetts municipal electric departments and municipal light boards to use the NEPOOL-GIS tracking system, for a variety of reasons, including that NEPOOL-GIS does not contain information on all the GHGs that Massachusetts retail sellers of electricity are required to report.

We recognize that the cost allocation document was written in 2002, before the retail seller GHG reporting requirement was adopted as Massachusetts law in August 2008, such that the retail seller reporting requirement and the specific reporting approach that MassDEP promulgated in regulations in June 2009 were not then known. Regardless, it would seem appropriate that NEPOOL-GIS costs be allocated not only on the basis of whether load is required to report emissions, but also on the basis of whether the NEPOOL-GIS is specifically used to report such emissions. Therefore, at this time, it seems inconsistent and unreasonable for NEPOOL and ISO New England to charge Massachusetts municipal electric departments and municipal light boards a portion of the costs associated with running the NEPOOL-GIS.

We welcome a discussion with you on this issue. If you have any questions, please contact MassDEP's Sharon Weber at 617-556-1190.

Regards,



Nancy L. Seidman  
Deputy Assistant Commissioner for Climate Strategies  
Massachusetts Department of Environmental Protection



John J. Keene  
Director, Regional and Federal Affairs  
Massachusetts Department of Public Utilities

cc:

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Joel Gordon, NEPOOL Budget and Finance Subcommittee Chair, PSEG Energy Resources & Trade LLC c/o PSEG Power Connecticut, LLC, 7 Steeple Lane Amherst, NH 03031 [joel.gordon@pseg.com](mailto:joel.gordon@pseg.com)